

Long Term B
LONG-TERM HOG PROCUREMENT AGREEMENT

This Long-Term Hog Procurement Agreement ("Agreement") is made effective [REDACTED] by and between [REDACTED] and Hormel Foods Corporation, a Delaware corporation with its principal offices at 1 Hormel Place, Austin, Minnesota 55912 ("Hormel Foods").

1. TERM AND VOLUME.

- (a) Hormel Foods agrees to purchase from [REDACTED], and [REDACTED] agrees to sell to Hormel Foods, all of the market hog production from the following phases of the [REDACTED] expansion project:
- (1) Phase I, which shall consist of farrow to finish production facilities with a capacity of [REDACTED] sows and the hogs produced thereby, to be constructed in [REDACTED]
 - (2) Phase II, which shall consist of farrow to finish production facilities with a capacity of [REDACTED] sows and the hogs produced thereby, to be constructed in [REDACTED]
 - (3) If mutually agreed by the parties as provided below, Phase III, which shall consist of farrow to finish production facilities with a capacity of [REDACTED] sows and the hogs produced thereby;
 - (4) If mutually agreed by the parties as provided below, Phase IV, which shall consist of farrow to finish production facilities with a capacity of [REDACTED] sows and the hogs produced thereby; and
 - (5) If mutually agreed by the parties as provided below, Phase V, which shall consist of farrow to finish production facilities with a capacity of [REDACTED] sows and the hogs produced thereby.
- (b) Hormel Foods and [REDACTED] must mutually agree in writing to extend this Agreement to Phase III, Phase IV and Phase V in succession. [REDACTED] may at any time give Hormel Foods written notice of [REDACTED] desire to extend this Agreement to the next phase. Hormel Foods shall respond to such a notice, in its sole and absolute discretion, with a written denial of the requested extension or a written agreement to the requested extension, substantially in the form of Exhibit A. If [REDACTED] fails to request any extension or if Hormel Foods denies any extension, this Agreement shall nonetheless remain in effect for the phases previously agreed to by the parties.
- (c) Hormel Foods agrees to purchase from [REDACTED], and [REDACTED] agrees to sell to Hormel Foods, all of the market hog production from each phase of the [REDACTED] expansion project to which this Agreement applies for a period of ten (10) years from the date of delivery of the first hogs from each such phase, subject to extension pursuant to paragraph 5.(a) or 5.(b).

2. PRICE.

- (a) The "Guaranteed Price" shall be equal to:
- (1) For hogs delivered during the first and second years of each phase, the sum of the price per live cwt. determined based on costs of corn and soymeal as set forth in the attached Cost Allowance Matrix plus Eight Dollars (\$8.00) per live cwt.;